

Appendix D

APPENDIX D-1

SALES & USE TAX AUTHORITIES

UNDER TITLE 59

Taxes that Adopt the State Sales and Use Tax Base & Exemptions¹

Table Data Current Through 10/1/2002

Description of Tax	Citation ²	Maximum Tax Rate (%)	Entity Authorized to Impose Tax ³	Vote Required Before Imposing	Vendor Discount (%) ⁴	Distribution Formula/ Revenue Use Restrictions ⁵	Tax Applicable to Sales by Remote Vendors ⁶	FY2001 Revenues (\$) ⁷
State sales & use	59-12-103	4.75 ⁸	S ⁹	No	1.50	Yes	Yes ¹⁰	1,452,513,562
Local sales & use	59-12-204; 59-12-205	1.00	CO, CI, T ¹¹	No	1.00	Yes	Yes ¹²	320,354,732
Town option sales & use	59-12-1302	1.00	T ¹³	No	No	No	No	28,089
County option sales & use	59-12-1102	0.25	CO ¹⁴	Yes	No	Yes	No ¹⁵	79,504,244
Resort communities	59-12-401	1.00	CI, T ¹⁶	No	No	No	No	7,344,323
Additional resort communities	59-12-402	0.50	CI, T ¹⁷	Yes ¹⁸	No	No	No	
Public transit	59-12-501	0.25	CO, CI, T ¹⁹	Yes	1.00	Yes	No	110,155,661
Additional public transit	59-12-502	0.25	CO, CI, T ²⁰	Yes	1.00	Yes ²¹	No	
County option funding for botanical, cultural, recreational, & zoological organizations or facilities	59-12-703	0.10	CO ²²	Yes	No	Yes	No	17,028,090
City or town option funding for botanical, cultural, recreational, & zoological organizations or facilities	59-12-1402 Effective on 1-1-2003	0.10	CI, T ²³	Yes ²⁴	No	Yes	No ²⁵	0 ²⁶
Rural county hospital	59-12-802	1.00	CO ²⁷	Yes	No	Yes	No	3,964,270
Rural city hospital	59-12-804	1.00	CI ²⁸	Yes	No	Yes	No	
Municipal highways	59-12-1001	0.25	CI, T ²⁹	Yes ³⁰	1.00	Yes	No	6,299,140

S=state; CO=county; CI=city; and T=town

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Source: Utah State Tax Commission

1. The term "tax base" generally refers to the types of transactions that are subject to taxation. For purposes of the state sales and use tax, the state "tax base" is described in UTAH CODE ANN. § 59-12-103 (Supp. 2002). The state sales and use tax exemptions are established in UTAH CODE ANN. § 59-12-104 (Supp. 2002). With few exceptions, the sales and use taxes contained in this table that are imposed by counties, cities, or towns provide in statute that the tax base for these taxes imposed by counties, cities, or towns is the same as the state sales and use tax base, and the exemptions are the same as the state sales and use tax exemptions. Two of the taxes contained in this table, the resort communities tax and additional resort communities tax, substantially adopt the state sales and use tax base and exemptions, but require additional exemptions from the taxes for wholesale sales and sales of items for which consideration paid is \$2,500 or more. UTAH CODE ANN. §§ 59-12-401, -402 (2000).

2. This column lists only the section in UTAH CODE ANN. 1953, as amended through the 2002 Fifth Special Session, imposing the tax. In addition to the section imposing the tax, the tax may be addressed in other sections of UTAH CODE ANN. that are not referenced in this column.

3. Data contained in this table regarding which counties, cities, or towns impose a tax and the rates of taxes imposed by counties, cities, or towns is derived from UTAH STATE TAX COMM'N, UTAH CODE TITLE 59, CHAPTER 12 SALES AND USE TAX ACT TAX RATES (2002).

4. If a vendor's annual tax liability for certain taxes is \$50,000 or more, the vendor is required to file monthly tax returns. A vendor filing monthly tax returns may retain a percentage of certain taxes that the vendor collects in recognition of the vendor's costs of collecting and remitting the taxes on a monthly basis. UTAH CODE ANN. § 59-12-108 (2000). This percentage is commonly called a "vendor discount." In addition to the vendor discounts summarized in this table, UTAH CODE ANN. § 59-12-108 allows a vendor discount for: the municipal energy sales and use tax provided for in Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act; and the taxes on vehicle rentals under UTAH CODE ANN. § 59-12-603 (Supp. 2001). See Appendix D-2 for a description of the taxes on vehicle rentals under UTAH CODE ANN. § 59-12-603 (Supp. 2001).

5. This column indicates whether a tax is subject to a distribution formula or imposes restrictions on the use of revenues generated by the tax. The column does not reflect as a distribution formula an administrative fee that the Utah State Tax Commission ("Tax Commission") retains for the taxes imposed by a county, city, or town but collected by the Tax Commission. Use restrictions under this column do not include provisions authorizing tax revenues to be used for state General Fund purposes or for county, city, or town general fund purposes.

6. UTAH CODE ANN. § 59-12-107(1)(b) (Supp. 2001) provides that certain vendors that do not have a sufficient presence in the state to be required to collect Utah sales and use taxes, commonly called "remote vendors," may voluntarily collect these taxes. Currently, sales and use tax collection by remote vendors is voluntary, but collection duties will become mandatory if the Supreme Court of the United States authorizes or Congress permits states to require remote vendors to collect a sales or use tax. UTAH CODE ANN. § 59-12-103.1 (2000). If a remote vendor collects these taxes, transactions are subject to a state tax and a local tax. The state tax is imposed at a rate of 2% for gas, electricity, heat, coal, fuel oil, or other fuels sold for residential use, and 4.75% for all other taxable transactions. The local tax is equal to the sum of the following rates: the lowest tax rate imposed by a county, city, or town under the local sales and use tax, but only if all of the counties, cities, and towns in the state impose the local sales and use tax; and the lowest tax rate imposed by a county under the county option sales and use tax, but only if all the counties in the state impose the county option sales and use tax. UTAH CODE ANN. § 59-12-103(2)(c) (Supp. 2001). Currently, all counties, cities, and towns in the state impose the local sales and use tax, so this tax applies to transactions for which a remote vendor collects a tax. However, because Emery County, Kane County, and Millard County do not impose the county option sales and use tax, this tax does not apply to transactions for which a remote vendor collects a tax. A portion of the state sales and use taxes collected by remote vendors are deposited into the Remote Sales Restricted Account, and the local sales and use taxes collected by remote vendors are distributed to counties, cities, and towns on the basis of a distribution formula.

7. Except with regard to the state sales and use tax for which no distribution data is available, the amounts shown in this column are based on the actual cash payouts made by the Tax Commission to counties, cities, or towns during the fiscal year. The data for the state sales and use tax reflects the net revenue collected for the fiscal year after making certain subtractions such as refunding amounts to taxpayers. Figures are rounded to the nearest dollar.

8. UTAH CODE ANN. § 59-12-103(2) (Supp. 2001) provides that the sales and use tax rate is 2% for gas, electricity, heat, coal, fuel oil, or other fuels sold for residential use.

9. All sales and use transactions that are taxable under UTAH CODE ANN. § 59-12-103 are subject to the 2% tax on gas, electricity, heat, coal, fuel oil, or other fuels sold for residential use or the 4.75% tax on other transactions. *See id.*

10. *See supra* note 6.

11. All counties, including all of the cities and towns within those counties, impose a 1% local sales and use tax.

12. *See supra* note 6.

13. UTAH CODE ANN. § 59-12-1302(2) (2000) provides that a town may only impose this tax if, on or before January 1, 1996, the town imposed a license fee or tax under UTAH CODE ANN. § 10-1-203 (Supp. 2001) on businesses on the basis of gross receipts. Snowville is the only town that imposes the town option sales and use tax, and does so at a rate of 1%.

14. All counties except for Emery County, Kane County, and Millard County impose a .25% county option sales and use tax on transactions throughout the county, including transactions within cities and towns located in the county.

15. *See supra* note 6.

16. UTAH CODE ANN. § 59-12-401 (2000) provides that a city or town may only impose this tax if the transient room capacity of the city or town is greater than or equal to 66% of the permanent census population. The following 11 cities or towns impose a 1% resort communities tax: Alta; Boulder; Brian Head; East Green River; Garden City; Green River; Kanab; Moab; Orderville; Panguitch; Park City; Springdale; and Tropic. Monticello imposes a .5% resort communities tax.

17. UTAH CODE ANN. § 59-12-402 (2000) provides that a city or town may only impose this tax if the transient room capacity is greater than or equal to 66% of the permanent census population. The following five cities or towns impose a .5% additional resort communities tax: Brian Head; East Green River; Green River; Moab; and Springdale.

18. A city or town is not subject to the voter approval requirement if, on or before January 1, 1996, the city or town imposed a license fee or tax under UTAH CODE ANN. § 10-1-203 on more than one class of businesses on the basis of gross receipts. UTAH CODE ANN. §§ 59-12-402(6) (2000).

19. UTAH CODE ANN. § 59-12-501 (2000) provides that a county, city, or town may only impose this tax if the county, city, or town is within a transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act. The following three counties, including all of the cities or towns within these three counties, impose a .25% public transit tax: Davis; Salt Lake; and Weber. Thirty-five cities or towns outside of these counties impose a .25% public transit tax.

Within Box Elder County: Brigham; Perry; and Willard.

Within Cache County: Hyde Park; Hyrum; Logan; Millville; Nibley; North Logan; Providence; Richmond; River Heights; Smithfield; and Cache Valley Transit, which is an unincorporated area within Cache County that imposes the tax.

Within Summit County: Park City.

Within Tooele County: Erda; Grantsville; Lakepoint; Lincoln; Tooele City; and Stansbury Park.

Within Utah County: Alpine; American Fork; Cedar Hills; Highland; Lehi; Lindon; Mapleton; Orem; Payson; Pleasant Grove; Provo; Provo Canyon; Salem; Spanish Fork; and Springville.

20. UTAH CODE ANN. § 59-12-502 (Supp. 2001) provides that a county, city, or town may only impose this tax if the county, city, or town is within a transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit Act. The following three counties, including all of the cities or towns within these counties, impose a .25% additional public transit tax: Davis; Salt Lake; and Weber.

21. Revenues generated by a county of the first class are the only revenues subject to an allocation formula. UTAH CODE ANN. § 59-12-502(5) (Supp. 2001) provides that: 75% of the revenues are allocated to fund a fixed guideway system and expanded public transportation system; and 25% of the revenues are allocated to fund new construction, major renovations, and improvements to Interstate 15 and state highways within the county, and to pay any debt service and bond issuance costs related to these projects.

22. Three counties, Salt Lake, Summit, and Uintah, impose a .10% botanical, cultural, recreational, and zoological organizations or facilities tax on transactions throughout the county, including transactions within cities and towns located in the county.

23. Because this tax does not take effect until January 1, 2003, currently there are not any cities or towns that impose the tax.

24. Before a city or town may submit an opinion question to the residents of the city or town on the imposition of this tax, the city or town must first go through a process of obtaining: a written resolution from the county legislative body in which the city or town is located stating that the county legislative body is not seeking to impose a county option tax for botanical, cultural, recreational, and zoological organizations or facilities; or a written statement that the results of a county opinion question submitted to the residents of the county permit the city or town to submit the opinion question to the residents of the city or town. A city or town would be allowed to submit an opinion question to the residents of the city or town if the results of the county opinion question indicate that a majority of the county's registered voters voted against the county imposing the tax, but the majority of the registered voters who are residents of the city or town voted for the imposition of the county tax. UTAH CODE ANN. § 59-12-1402(6) (Supp. 2001).

25. Statute does not expressly provide that this tax applies to transactions for which a remote vendor collects a tax, but the tax is not included in the statutory list of taxes that do not apply to transactions for which a remote vendor collects a tax. UTAH CODE ANN. § 59-12-103(2)(d) (Supp. 2001). For purposes of this table, this tax is classified as not applicable to sales by remote vendors.

26. Because this tax does not take effect until January 1, 2003, no collections have been made.

27. Garfield County and Kane County impose a 1% rural county hospital tax. Uintah County imposes a 0.4% rural county hospital tax. These taxes are imposed on transactions throughout the county, including transactions within cities and towns located in the county.

28. UTAH CODE ANN. § 59-12-801(2) (2000) provides that a rural city hospital is a hospital owned by a city that is located within a third, fourth, fifth, or sixth class county. Beaver City is the only city that imposes a rural city hospital tax, and does so at a rate of 1%.

29. UTAH CODE ANN. § 59-12-1001 (2000) provides that a city or town may impose this tax only if the transactions described in UTAH CODE ANN. § 59-12-103(1) (200_) are not subject to the public

transit tax provided for in Title 59, Chapter 12, Part 5, Public Transit Tax. The following 20 cities or towns impose a .25% municipal highways tax: Brian Head; East Green River; Ephraim; Green River; Gunnison; Heber; Hurricane; Ivins; LaVerkin; Moab; Nephi; Price; Richfield; Roosevelt; St. George; Salina; Santa Clara; Vernal; Washington City; and Wellington.

30. A city or town is not subject to the voter approval requirement if: on or before January 1, 1996, the city or town imposed a license fee or tax under UTAH CODE ANN. § 10-1-203 on more than one class of businesses on the basis of gross receipts; or on or before June 30, 2002, the city or town obtained voter approval to impose a tax for the construction and maintenance of highways under the jurisdiction of the city or town imposing the tax, and on or after July 1, 2002, the city or town uses the revenues generated by the tax for the construction and maintenance of highways under the jurisdiction of the city or town imposing the tax, to fund a system for public transit, or a combination of those two purposes. UTAH CODE ANN. §§ 59-12-1001(7) (2000).